VZCZCXRO0801 OO RUEHBC RUEHDBU RUEHDE RUEHKUK RUEHLH RUEHPW RUEHROV DE RUEHNE #7824/01 3201231 ZNY CCCCC ZZH O 161231Z NOV 06 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 0622 INFO RUCNISL/ISLAMIC COLLECTIVE RUEHAH/AMEMBASSY ASHGABAT 0461 RUEHTA/AMEMBASSY ASTANA 0617 RUEHBJ/AMEMBASSY BEIJING 4372 RUEHEK/AMEMBASSY BISHKEK 0476 RUEHLM/AMEMBASSY COLOMBO 7795 RUEHKA/AMEMBASSY DHAKA 7864 RUEHDBU/AMEMBASSY DUSHANBE 0266 RUEHIL/AMEMBASSY ISLAMABAD 0917 RUEHKT/AMEMBASSY KATHMANDU 8520 RUEHMO/AMEMBASSY MOSCOW 0519 RUEHNT/AMEMBASSY TASHKENT 0651 RUEHKO/AMEMBASSY TOKYO 4059 RUEHCI/AMCONSUL CALCUTTA 7257 RUEHCG/AMCONSUL CHENNAI 7368 RUEHKP/AMCONSUL KARACHI 5966 RUEHLH/AMCONSUL LAHORE 3218 RUEHBI/AMCONSUL MUMBAI 6589 RUEHPW/AMCONSUL PESHAWAR 3828 RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 2892 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 5204 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 007824

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E.O. 12958: DECL: 11/16/2016 TAGS: <u>PGOV PREL PINR KISL IN</u>

SUBJECT: WHAT DO UTTAR PRADESH ELECTIONS MEAN FOR

WASHINGTON?

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Classified By: Acting Political Counselor Atul Keshap for reasons 1.4 (  $\mbox{B,D})$ 

(C) Summary: Uttar Pradesh (UP) is larger than most countries in the world and, with 80 MPs, has the largest Parliamentary delegation in the 545 seat Lok Sabha. For decades, the state has seen growing misrule by kleptocratic and caste-ridden regional parties, accompanied by increasing violence and declining governance. The state will hold Legislative Assembly elections in February or March of 2007 and most political observers are currently predicting that the ruling Samajwadi Party(SP) will lose to its regional rival, the Dalit-based BSP. Although the BJP was the clear winner in recently-concluded municipal polls, this may not signify much, as the BJP has a strong urban base and the BSP did not compete, so as to ensure the SP's defeat. UP is so large and so significant that it impacts the nation as a whole. Its economic and political decline has been a drag on national prosperity. Regional parties have not been good for the state, and national parties desperately need to establish a toe-hold to halt and reverse the state's decline. Whoever emerges triumphant from this election cycle in UP will stand a good chance of playing kingmaker in Delhi, to include affecting policies at the center. End Summary.

Closely Watched Municipal Polls

12. (U) The Uttar Pradesh (UP) municipal polls took place in three phases between October 3 and November 6. Legislative Assembly elections are scheduled in UP in February or March of 2007 and the Municipal polls are seen as a predictor of their possible outcome. The SP fared badly, winning in only one of the 12 contested cities (Moradabad, with a large Muslim population), while the BJP won in eight localities, and Congress carried three. The BSP, which most political observers expect to drive the SP from power in Lucknow in 2007, did not contest. After the Municipal polls, BJP President Rajnath Singh boldly predicted that the BJP would move from number three to number one in UP in 2007, and that UP would spark a BJP revival throughout the country.

## BJP Revival is not Imminent

13. (C) Political insiders are dismissing the BJP's assertions of imminent victory in UP as too hasty and not backed up by the facts on the ground. The BJP, despite its number three position in UP, has always done well in municipal polls. This is because the party, which is dominated by petty shopkeepers, is strong in the urban areas. This advantage has traditionally not resulted in BJP dominance in rural areas, where most of the UP population resides. Despite its strong showing in municipal elections, the BJP has continued to decline in UP Legislative Assembly and Lok Sabha polls. (In 1991 the BJP controlled 221 seats in the 419 member Legislative Assembly - by 2002 this has declined to 88 seats in a 403 member Assembly. In the Lok Sabha, the BJP controlled 51 of the state's 84 seats in 1991. By 2004 the BJP had declined to only 10 of the state's 80 member Parliamentary delegation.) This particular municipal

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contest was further skewed by the non-participation of the BSP. BSP Chief Mayawati is the principal contender to replace Mulayam as Chief Minister in 2007. She has stated that she deliberately refrained from participation in the Municipal polls to ensure that the SP was defeated and that she was willing to hand victories to the BJP in the urban areas, where her party has little infrastructure.

## Comment - What Does It Mean for the US?

- 14. (C) With a population of over 170 million and a land area of 238,566 square kilometers, UP is larger than most countries of the world. What happens in UP has an enormous impact on India as a whole and what has been happening there has not been good. Ruled for several decades by kleptocratic, corrupt and caste-ridden provincial parties, UP has slipped further and further into chaos and economic decline. It is commonly being asserted that UP has surpassed Bihar as the most backward and hopeless of the north Indian "cow belt" states. With the provincial parties incapable of providing effective governance, UP has become rife with instability and violence and its decline has affected political stability in New Delhi. With 80 seats in the Lok Sabha, UP has the largest Parliamentary delegation of any state in India. As long as this huge block of MPs remains under the control of a regional party, it gives them far more political clout than their electoral numbers would warrant. Their king-making power forces the National parties to cut deals with the regionals and gives them undue influence over Indian political and economic policy, as they can threaten to weaken or bring down coalitions by withdrawing.
- 15. (C) Caste and community dominate UP politics and the national parties (the BJP and Congress) have certainly dabbled in casteism and communalism, but they are paragons of virtue compared to their provincial cousins (the SP and BSP). When the provincial parties have been forced to rule in a coalition with a national party, it has acted as a brake to keep the abuse of power and endemic corruption within limits.

As long as the electorate in UP is presented with the choice of either the SP or BSP, the state will continue to decline, acting as a drag on investment and economic growth, and threatening the stability of whatever coalition rules in New Delhi. The 2007 election could potentially result in a devastating defeat for the SP, which has become more and more notorious as it enjoys the fruits of power in Lucknow. The crucial question is whether the new regime will be another regional party (the BSP) with a similar record of corruption and poor governance, or a coalition that will provide either the BJP or Congress with entree into the government. Should either of the two national parties succeed in establishing a foothold in UP, it would provide an opportunity to re-integrate the state into the national government and economy and restore a semblance of governance. As a result, we will devote considerable effort to following trends in UP prior to the early 2007 polls.

16. (U) Visit New Delhi's Classified Website:
(http://www.state.sgov.gov/p/sa/newdelhi/)
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